

(For Immediate Release)



**Embry Holdings Limited
Announces 2014 Interim Results**

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**Revenue Increased by 9.07% to HK\$1,238 million
Net Profit Rose to HK\$125 million
With Gross Profit Margin Improvement**

Financial Highlights:

HK\$'000	For the six months ended 30 June		
	2014	2013	Change
Revenue	1,238,479	1,135,463	+9.07%
Gross profit	1,016,272	911,674	+11.47%
Gross profit margin	82.06%	80.29%	+1.77p.p.
Profit attributable to owners of the Company	124,583	123,953	+0.51%
Profit attributable to owners of the Company (Excluding the impact of foreign exchange differences)	131,507	118,907	+10.60%
Basic earnings per share (HK cents)	29.90	29.75	+0.50%
Interim dividend per share (HK cents)	4.00	4.00	N/A

(25 August 2014 – Hong Kong) **Embry Holdings Limited** (“Embry Group” or the “Group”; Stock Code: 1388), the leading lingerie brand owner and retailer in China, announces today its interim results for the six months ended 30 June 2014 (the “Current Period”).

During the Current Period, the Group’s revenue grew by 9.07% over that for the six months ended 30 June 2013 (the “Prior Period”) to HK\$1,238,479,000. Profit attributable to owners of the Company was HK\$124,583,000. Earnings per share were HK29.90 cents (2013: HK29.75 cents). The Group’s results were affected by the depreciation of Renminbi against the US dollars during the period. Excluding the impact of foreign exchange differences, the Group’s net profit increased by 10.60% to HK\$131,507,000 over that for the Prior Period. The Board of Directors of the Company has resolved to declare an interim dividend of HK4.00 cents per share (2013: HK4.00 cents) for the Current Period.

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Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry Group, said: "In the first half of 2014, China maintained steady economic growth on the back of the smooth progress in the restructuring of its economy, and its retail market was recovering. However, the US Federal Reserve began tapering its quantitative easing policy since the end of last year, funds began flowing out of emerging markets, which led to a depreciation of Renminbi against the US dollars during the first half of the year. This has impact on the overall economy. Although the Group continues to prudently cope with these changes in the market environment, intense competition, as well as to sustain business growth by implementing a cautious business development policy, adopting a flexible multi-brand strategy and fully capitalising on its optimised sales network, the Group's results were still affected by the short-term foreign exchange volatility."

During the Current Period, the Group implemented multi-brand strategy and continued to allocate internal resources flexibly to focus on promoting potential brands which have lower market penetration, such as **E-BRA**. Meanwhile, it also invested resources in cultivating its new brands, namely **IADORE** and **IVU**. The Group's men's underwear brand, **IVU**, which was launched on a trial basis in the second half of 2013, was well received by the market and had successfully made its way into many high-end department stores in Mainland China.

In terms of sales by brand, **EMBRY FORM**, our signature brand, its revenue increased by 6.59% to HK\$602,894,000. **FANDECIE**'s revenue rose by 9.13% to HK\$391,672,000. **COMFIT**'s revenue was HK\$96,806,000, which was similar to that of the Prior Period. **E-BRA**'s revenue grew by 20.21% to HK\$114,579,000. **LIZA CHENG**'s revenue rose by 35.29% to HK\$15,150,000. New brands **IADORE** and **IVU**, which were in the start-up stage, recorded revenues of HK\$7,814,000 and HK\$5,938,000 respectively during the Current Period, thus accounting for an insignificant proportion in the Group's total sales.

During the Current Period, revenue from the retail sales increased by 9.26% to HK\$1,046,590,000, accounting for 84.51% of the Group's total revenue. Revenue from the wholesale business increased by 12.41% to HK\$156,641,000. Revenue from the Group's direct online sales channels decreased by 7.94% to HK\$31,622,000.

During the Current Period, the Group's gross profit margin increased by 1.77 percentage points to 82.06%. Although rising labour costs led to an increase in operating costs, the Group still achieved better economy of scale through business expansion, and improved production efficiency and brand equity by enhancing production automation. As a result, the gross profit margin remained stable. During the Current Period, selling and distribution expenses increased by 10.81%, accounting for 59.85% of the Group's revenue.

The number of retail outlets of the Group registered a net increase of 10. As at 30 June 2014, the Group operated a total of 2,282 retail outlets. Among them were 2,093 and 189 concessionary counters and stores respectively.

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Ms. Cheng concluded, "Looking into the second half of 2014, the world's political and economic environment remains uncertain, and its impact on the economy is difficult to predict. Meanwhile, the downside risks to China's economy still exist, bringing instability to the development of the consumer industry in the near future. Nevertheless, the Directors believe that the national income and living standards will improve as China's urbanisation accelerates. These will in turn drive consumer spending in the long run, thereby laying the foundation for further development of the country's consumer market. As the market leader in the lingerie industry in China, the Group will adopt a cautiously optimistic approach to upcoming market challenges, and generate satisfactory returns to shareholders."

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About Embry Holdings:

Embry is a leading lingerie brand owner and retailer in China, which has established an extensive retail network comprising over 2,200 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates seven brands namely, **EMBRY FORM, FANDECIE, COMFIT, E-BRA, IADORE, LIZA CHENG** and **IVU** with each of them targeting at different customers. **EMBRY FORM**, the signature brand of the Group, was awarded "**The Best-Selling Lingerie Products in the Industry in China in terms of Volume, Sales and Market Share**" by the China Industrial Information Issuing Centre again. It has been the 18th consecutive year for **EMBRY FORM** to rank number one in terms of volume, sales and market share. In addition, **FANDECIE**, another brand of the Group, was also officially named one of the "**Top 10 Best Sellers in the Industry in China**" for the 8th consecutive year.

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